ARIZONA CORPORATION COMMISSION

Brian McNeil Executive Secretary

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March 3, 2004

Mr. Ernest Johnson Director, Utilities Division Arizona Corporation Commission 1200 West Washington Street Phoenix, AZ 85007

Re: Arizona-American Water Company; Docket Nos. WS-01303A-02-0867;

WS-01303A-02-0868; WS-01303A-02-0869; WS-01303A-02-0870;

WS-01303A-02-0908

Dear Mr. Johnson:

This morning I came across the attached article about the high level of nitrates in the water in Desert Hills. The fire chief of Desert Hills has alleged that the water is unsafe and that the Arizona-American Water Company has failed to adequately warn its customers. This causes me great concern and has compelled me to ask the following questions:

- (1) What is the immediate health risk to the people in that area?
- (2) If there is a public health concern with the water in Desert Hills, what must be done to immediately remedy the situation?
- (3) Has this matter been addressed in the rate case?

Time is of the essence, please respond as soon as possible.

Sincerely,

William A. Mundell, Commissioner Arizona Corporation Commission

cc: Steve Olea

Brian McNeil Docket Control

Attachment